

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2003 - SB 1981

February 10, 2022

SUMMARY OF BILL: Requires the Department of Education (DOE) to establish and administer a grant program to award annual bonuses to teachers employed in public elementary or secondary schools based on performance. Limits bonus payments to one per teacher per year. Establishes that bonuses paid to teachers are not a part of the basic education program (BEP). Requires the amount of, and qualifications for, grant awards to remain unchanged for a minimum of three years.

FISCAL IMPACT:

Increase State Expenditures - \$101,414,000/FY22-23 and Subsequent Years

Assumptions:

- The grant program award amounts are based on a teacher's most recent evaluation and student success rates on state assessments as follows:
 - A \$1,000 bonus for earning an "above expectations" performance designation;
 - A \$2,000 bonus for earning a "significantly above expectations" performance designation; and
 - A \$3,000 bonus, in addition to the \$1,000 bonus, for earning an "above expectations" performance designation and at least 40 percent of the students taught by the teacher during the school year for which the teacher was most recently evaluated received a passing, proficient, or "on track" overall score on a state assessment.
 - A \$4,000 bonus, in addition to the \$2,000 bonus, for earning a "significantly above expectations" performance designation and at least 55 percent of the students taught by the teacher during the school year for which the teacher was most recently evaluated pursuant to § 49-1-302, received a passing, proficient, or "on track" overall score on a state assessment.
- Based on the 2020-21 level of overall effectiveness scores, teachers would qualify for bonus payments as follows:
 - 26,548 teachers would receive \$1000;
 - 27,697 teachers would receive \$2,000;
 - 2,837 teachers would receive an additional \$3,000; and
 - 2,718 teachers would receive an additional \$4,000.
- While the total number of teachers that qualify for annual bonuses will vary from year to year, based on 2020-21 data, the total amount grant awards will increase state

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expenditures by \$101,325,000 in FY22-23 and subsequent years [(26,548 x \$1,000) + (27,697 x \$2,000) + (2,837 x \$3,000) + (2,718 x \$4,000)].

- DOE will require one additional Education Consultant 2 position beginning in FY22-23 to manage the grant program.
- There will be a recurring increase in state expenditures of \$88,982 [(\$70,368 salary + \$18,614 benefits) x 1 Education Consultant 2 position] in FY22-23 subsequent years.
- The total increase in state expenditures is estimated to be \$101,413,982 in FY22-23 and subsequent years (\$101,325,000 + \$88,982).
- No impact to the BEP.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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